MARKET SEGMENT REPORT **ITALIAN** PAGE 155

Restaurant Business

A BILL PUBLICATION

MARCH 1, 1989

BEDA AWARDS: BUSINESS EXECS PICK
PAGE 118

CHAIN STRATEGY: USACAFES ON A ROLL
PAGE 146

MENU IDEAS: SCORE WITH SEAFOOD
PAGE 205

LATE-CLINE IFA FORECAST

GOING IT ALONE

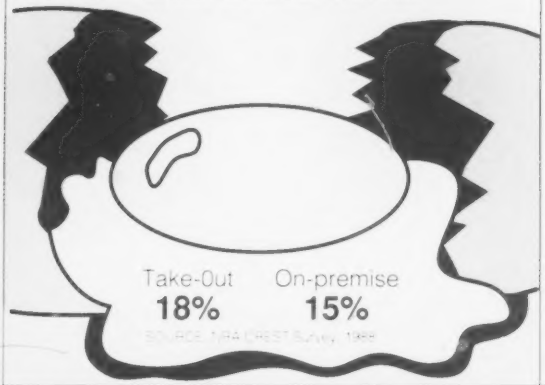
BUSINESS BAROMETER

The Hard Facts Shaping Our Industry

By Howard Riell

BREAKFAST TAKE-OUT GROWS

Percent traffic increase at breakfast, 1982-1987

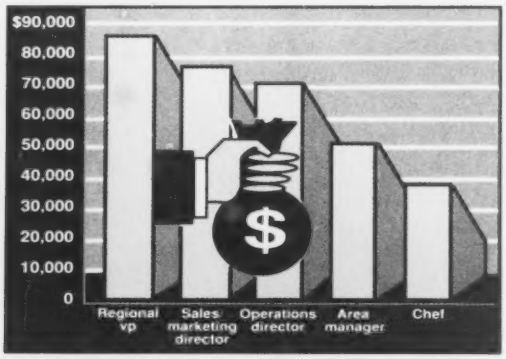


Starting The Day On The Run

During the first three quarters of 1988, reports the National Restaurant Association, take-out traffic at breakfast increased 10% over the same period in 1987. The biggest increases have come on weekends, NRA figures show. From 1982 to 1987, breakfast traffic rose 47% on weekends, as opposed to just 5% during the week. Saturdays are generally more popular than Sundays. Quick-service and upscale restaurants notched the largest increases, each topping 50% (midscale trailed behind at just 8%). Almost one-third of breakfast take-out went to customers aged 25 to 34.

HOSPITALITY SALARIES, 1989

Projected U.S. median salaries



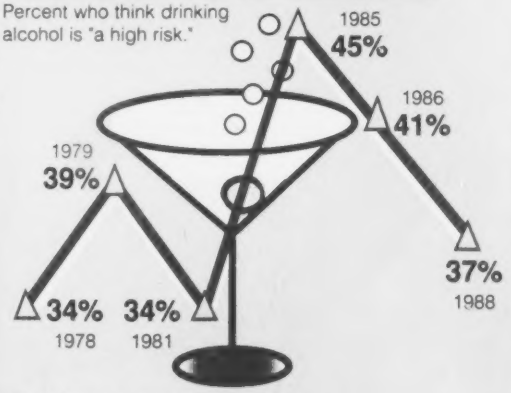
SOURCE: Roth Young 1989 U.S. Salary Outlook Survey

Slower Sales, Smaller Salaries

Roth Young puts it bluntly: "Locked in a fierce battle for market share, and faced with intense pressure to contain costs, the restaurant, lodging, and resort establishments that comprise the nation's labor-intensive hospitality industry are expected to hold down most 1989 salary raises to only a modest 4% to 6% increase above 1988 levels." Unit managers "capable of balancing the difficult equation of satisfying customers and motivating workers" will command higher raises, as will human resource recruitment and training specialists.

PERCEPTIONS OF ALCOHOL

Percent who think drinking alcohol is "a high risk."



SOURCE: Roper's The Public Pulse

Decline In The Fear Of Drinking

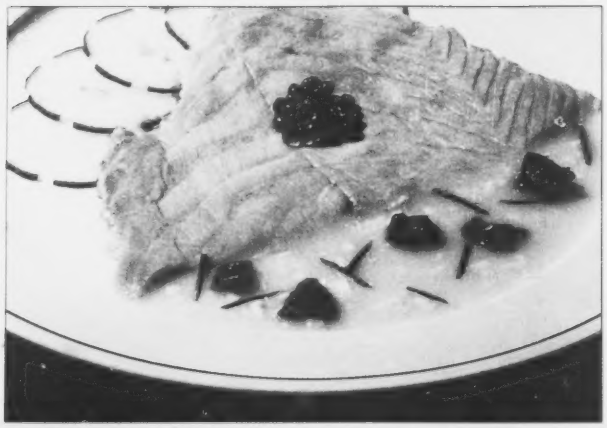
While statistics show that Americans' fears of alcohol have diminished, *The Public Pulse* warns that foodservice "is facing shrinking markets for many types of liquor. Why is it happening? The most important factor may be that the public tends to be more concerned about the social effects of heavy drinking than the personal effects of moderate drinking." The report concludes that while consumers will certainly continue to drink, they will probably drink less heavily—and drink beverages that are perceived as lighter, like beer, wine, and wine coolers.

RESTAURANT BUSINESS

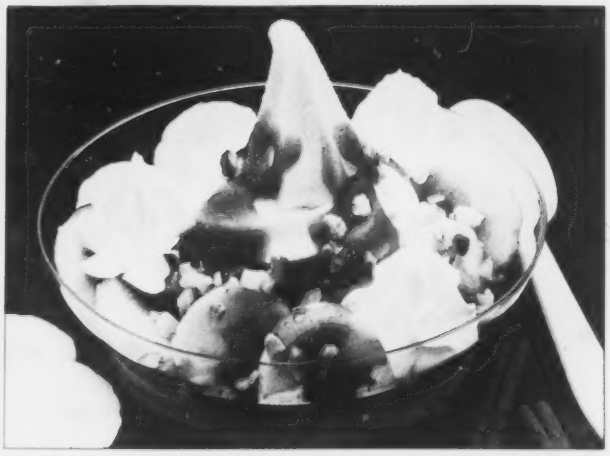
CONTENTS

MARCH 1, 1989 VOL. 88 NO. 4

COVER STORY: *Independents, page 133.*



MENU IDEAS: *Seafood, page 205.*



SPECIALTY CONCEPT: *TCBY, page 110.*

COVER STORY

INDEPENDENTS **GOING IT ALONE.** *Independent operators face a very special set of challenges. For Kerry Marshall, owner of Mudd's, owning a restaurant has been a struggle from day one, as explosive growth in the San Ramon, CA, marketplace has led to skyrocketing competition. Tom McCabe's restaurant Tom Foolery's, in Westboro, MA, has been successful from the start, but McCabe has had to stay on his toes in order to hold his place in a crowded market* 133

FOOD AND BEVERAGE

DRAFTS, CARAFES & SPIRITS **WHITE GOODS.** *Versatile white goods—vodka, rum, tequila, and gin—are one of the bright spots on the cocktail scene* 197

MENU IDEAS **SEAFOOD.** *Despite problems with high prices, supply shortages, and ocean pollution, operators continue to enjoy increased profitability and prestige from selling seafood. But fish and shellfish are among the most difficult commodities to purchase and menu effectively* 205

PIECEMEAL **RAW BARS.** *Seafood bars are moving into menu appetizer categories, fueled by consumers' growing demands for sophisticated options* 213

FEATURES

DESIGN FOCUS **THE CLIENT-DESIGNER RELATIONSHIP.** *A solid relationship between restaurateur and designer can make all the difference* 106

SPECIALTY CONCEPT **TCBY.** *TCBY, the only national frozen yogurt chain, is one hot franchisor* 110

INDUSTRY AWARDS **BEDA.** *The Business Executives' Dining Awards recognize 100 restaurants most favored for business dining* 118

CHAIN **USACAFES.** *The Dallas-based franchisor of Bonanza is on a roll, thanks to a program of acquisition and concept upgrades* 146

MARKET SEGMENT REPORT **ITALIAN.** *Italian food is all the rage thanks to its broad appeal: There's a dish of pasta for every taste and budget, from a $5 plate of spaghetti to $40 fettuccine with white truffles* 155

Cover photograph by James Sugar/Black Star.

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COLUMNS AND DEPARTMENTS

BUS'NESS BAROMETER 2
PUBLISHER'S MEMO 9
INSIGHTS. *Industry News* 16
TIPS 55
TRADE QUOTES. *Stock Market Reports* 56
MENU PLANNER'S GUIDE 62
CUSTOMER SERVICE. *Fear of Dining Out* 76
OPERATIONS. *Reducing Insurance Costs* 84
FOOD FACTS. *Fiber* 90
MARKETING. *The Basics of Consumer Research* 95
HUMAN RESOURCES. *The Language of Service* 96
MANAGEMENT. *On Intrapreneurship* 100
ON TAP 104
BUYER'S CIRCLE. *Noteworthy Equipment* 179
EQUIPMENT I.Q. *Food and Beverage Bars* 190
BAR MANAGEMENT GUIDE 200
CALENDAR 220
LATELINE. *Last-minute Newsbreaks* 224
WASHINGTON WATCH. *Capitol Observations* 228
INDEX TO OPERATORS/ADVERTISERS 230
READER COMMENT CARD 231

UPCOMING CONFERENCE

Participants from all segments of the foodservice and meat industries will gather at the first **CENTER-OF-PLATE** *Foodservice Marketing Conference. The Conference, scheduled for April 3 to 5 at the Hyatt Regency in Chicago, is cosponsored by* Restaurant Business *and the American Meat Institute.* RB's *sister publications,* Institutional Distribution *and* FoodService Director, *will also participate. For information, contact Editor Peter Berlinski,* Restaurant Business, *633 Third Avenue, New York, NY 10017.*

REPRINTS, INDEX AVAILABLE

Restaurant Business *now has available specially prepared reprints of the* **1988 RESTAURANT GROWTH INDEX** *and the* **1988 MAJOR FORCES IN FRANCHISING.** *These annual studies are invaluable reference tools. The reprints are available for $5 per copy.*

In addition, Restaurant Business *is now offering its* **1988 EDITORIAL INDEX** *for $25 per copy.*

Direct inquiries to: Editor Peter Berlinski, Restaurant Business, *633 Third Avenue, New York, NY 10017.*

MARKET SEGMENT REPORT: *Italian, page 155.*

IN THE NEXT ISSUE

COVER STORY

MAJOR FORCES IN FRANCHISING

The 24th Annual Franchising Report explores the tremendous potential of franchising, which continues to outstrip the overall industry in terms of growth. This comprehensive, state-of-the-industry report includes information on 11 market segments (hamburger, chicken, Mexican, sandwich, steak, pancake, pizza, seafood, donut, ice cream/yogurt, and c-store), as well as exclusive growth projections for the franchising economy.

MENU IDEAS

RICE AND BEANS

Thanks to the ethnic trend, more attention is being focused on such "earthy" ingredients as grains and legumes. This is good news for operators, because these ingredients are versatile and very cost-effective to menu. A number of center- and side-of-the-plate options for rice and beans will be introduced by the *RB* Test Kitchen.

DRAFTS, CARAFES & SPIRITS

DOMESTIC BEER PROMOTIONS

Beer remains one of the most promotable beverages. This month, *RB* looks at beer clubs, sports specials, and food tie-ins that keep the taps primed.

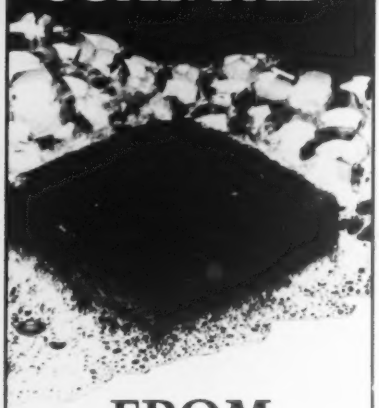
EQUIPMENT I.Q.

COMBINATION OVENS

Versatile combination ovens can help operators make menus more interesting.

WATCH FOR OUR SPECIAL READER CONTEST IN THE MARCH 20TH RESTAURANT BUSINESS.

GET THE NEW *TOUGH SCOUR* NYLON SOAP PAD



FROM SYSCO

If you use steel wool soap pads for your commercial kitchen cleanup, you'll love the new **Tough Scour** nylon soap pad from Sysco. This durable pre-soaped scrubber has a special three layer construction to give you maximum cleaning power.

Two nylon scrubbing surfaces surround a soft, absorbent sponge center designed to distribute long lasting, grease-cutting liquid detergent. Sturdy construction makes one **Tough Scour** last as long as five steel wool pads – it's the ideal scrubber for steel wool soap pad users!

The **Tough Scour** nylon soap pad is now available through your local Sysco Food Service Supplier.

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For information circle number 194

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MARKET SEGMENT REPORT

ITALIAN

Competition is intensifying as more new players seek to satisfy America's rising demand for Italian food.

Garland, TX-based Spaghetti Warehouse features a menu of scratch-made Italian favorites. The check average is $7.89 at dinner, $5.44 at lunch.

BY JAMES SCARPA

From the masses to the upper classes, Italian food is still the rage. There's a dish of pasta for every taste and budget, from the $5 spaghetti and meatballs dinner to the $40 dish of fresh fettuccine with imported white truffles.

The Italian trend has a lot going for it besides good taste. For some time now, health enthusiasts have been touting the benefits of pasta, olive oil, seafood, green vegetables, and garlic. What's more, Italy has a growing international reputation for style and innovation in fashion, automobiles, design, art, and cinema that casts an appealing halo over its culture and food. And few other types of food can satisfy a family so healthfully and so reasonably.

Competition in the Italian market segment is intensifying as more new players seek to satisfy America's rising demand for Italian food.

There has been an increase of nearly 1,000 Italian restaurants in the U.S. since 1986, according to the RECOUNT report of the Evanston, IL-based Restaurant Consulting Group Inc. In 1988, the Italian restaurant tally increased to 5,732 units, up from 5,142 in 1987, according to RECOUNT. Of the 1988 total, 4,292 restaurants, or 75%, were independent.

In much of the nation, small independent operators and two- and three-unit

continued on page 156

groups dominate the Italian market. For the most part, they remain bastions of traditional Italian-American cooking. Checkered tablecloths and candle-studded Chianti bottles are fading cliches, but menu changes still occur slowly. Items such as garlic bread, baked lasagne, and veal parmigiana are still king.

But on the trendy urban dining scene, sleek upscale trattorias featuring regional Italian menus, European decor, and average checks of $25 and more are springing up in single units and small but growth-minded groups.

Promising prospects in the Italian market segment have inspired a number of Italian restaurant chains. The most successful to date are General Mills' Olive Garden dinner house in the midscale, full-service category, and Sbarro Inc. in the quick-service arena.

"Look at Olive Garden" is the common refrain in the Italian market segment. Virtually every industry member queried by *Restaurant Business* for this report commented about that chain's great growth. The 120-unit, Orlando, FL-based chain has been steaming ahead with 50 new units per year, on track to meet its goal of 175 units by 1990. Its average unit volume now exceeds $2.6 million. Last year, Olive Gardens debuted in San Antonio, TX, Memphis and Knoxville, TN, Tulsa, OK, Chicago, Kansas City, and Reno, NV, increasing the company's reach to 37 markets in 14 states.

The next frontier for Olive Garden is the Northeast. As it debuts in suburban Philadelphia early this year, industry observers will be carefully watching its performance against the region's entrenched independents.

But Olive Garden seems uncowed by the competition. The company claims that its consumer research predicts as favorable a reception in the Northeast as it has received elsewhere.

QUICK-SERVICE. The country's only national chain of Italian restaurants is a quick-service player—Commack, NY-based Sbarro Inc. The 300-unit Sbarro system operates in 41 states, Puerto Rico, and Canada. Its successful formula consists of fast and affordable Italian dishes such as pizza, calzones, baked ziti, lasagne, and sandwiches, served from stores more upscale than typical fast-food establishments, featuring brass, marble, mirrors, and food murals.

This will be a challenging year for Sbarro, says director of marketing Erwin Protter. It plans to delve for the first time into strip mall and freestanding locations, in addition to its customary shopping mall spaces. Entering these new venues will not only expand the universe of locations, Protter says; it will allow Sbarro to test take-out, drive-thru, and take-and-bake pizza—popular concepts that do not work in mall locations.

The search for new sites has already led Sbarro to open downtown stores in cities such as New York, Chicago, and Boston. Franchisee Marriott Corp. opened five turnpike stores last year, and has agreed to open at least 20 more. Another franchisee, Concession Air Corp., opened a Sbarro at the Palm Beach, FL, airport last year, and plans to do the same at Newark and Boston airports in 1989. The company will continue its vigorous expansion pace of 60 to 70 new units per year.

There has been an increase of nearly 1,000 Italian units since 1986.

The three Mama Mia Pasta restaurants in downtown Chicago feature homestyle Italian dishes, quick service, and decor scaled above typical fast food.

Segment competitors will also be monitoring the changes this year at Louisville, KY-based Grisanti's Casual Italian Restaurants. The promising 32-unit full-service chain, a subsidiary of Imasco USA, is up for sale. Imasco wants to focus all its attention on its major property, the 3,000-unit Hardee's burger chain. Some observers expected Imasco's sponsorship to lead to faster growth, but the chain has expanded conservatively, carefully weighing site selection and staffing.

Grisanti's founder and CEO Michael Grisanti, who sold the chain to Imasco in 1984, is "exploring the possibilities of buying back the company." No more details were available at press time.

The Grisanti division has units in 14 states from New York to Washington State. It includes 17 Grisanti's restau-

continued on page 160

Italian food is perceived to be inexpensive, healthy, and very tasty.

Jerrico's concept Florenz serves relatively sophisticated fare, such as the pictured chicken *capperi* in a white wine and caper sauce.

rants, 12 Casa Lupita Mexican restaurants that are gradually being converted to Grisanti's, two individual Italian concepts, Casa Grisanti and Mama Grisanti's, and an American concept, Sixth Avenue.

Grisanti's menu includes familiar Italian items such as the ubiquitous spaghetti and meatballs ($6.50), lasagne ($7.35), ravioli ($7.95), minestrone ($2.50), and garlic bread. There are also New York-style cheesecake and "Margherita" cocktails, an Italianate name for the Mexican drink.

For those with more adventurous tastebuds, Grisanti's offers a version of the classic veal sauté *saltimbocca* made with chicken ($8.75), veal *Portofoglia*, a fried roll of veal stuffed with chicken, spinach, mushrooms, prosciutto, and mozzarella cheese in a Madeira sauce ($11.95), and fried calamari with marinara sauce ($3.50).

The St. Louis-based Pasta House Company, the largest independently owned Italian restaurant chain in the country with 22 units, reports success in the competitive metropolitan St. Louis Italian market. It projects a 15% increase in business by the end of fiscal 1989, according to co-owner Kim Tucci.

Tight competition compels the 22-unit chain to do vigorous local marketing. As Tucci puts it, "I can't wait for people to come to me—not with Olive Garden and all the independents in this market."

One successful promotion is Pasta House's Good Business Neighbor Club, which offers local business owners and employees a 20% discount on lunches. It has bolstered lunch and take-out business, says Tucci.

Another successful promotion is Pasta House's second annual Reading, wRiting, and Ravioli program. The company awards certificates for a free child's portion of St. Louis-style toasted ravioli to children who read books and submit book reports to their teachers. During the program's first run in the 1987-88 school year, the company awarded 51,000 certificates. With 27,000 certificates awarded this past September and October alone, the program seems certain to smash the last school year's total, predicts Tucci.

Ultimately, Pasta House is angling for a corporate buyout. "We're still looking for that home run," says Tucci. A few years ago, a promising deal with Pillsbury fell through.

The Pasta House menu reflects the relative sophistication of St. Louis' Italian market. It lists dishes that are often found in restaurants with aver-

continued on page 162

The Pasta House menu reflects the relative sophistication of St. Louis' Italian market. It lists dishes that are found in restaurants with higher average checks.

MARKET SEGMENT ITALIAN REPORT

About 75% of the 5,732 Italian U.S. units are independently owned.

Featuring an exotic atmosphere, Tutto Bene is just one of the upscale Italian restaurants operated by San Francisco-based Spectrum Foods.

age checks considerably higher than Pasta House's $7. Included are *rigatoni alla carbonara* ($6.75), pasta *con asparagi* ($6.75), and linguine with chicken livers ($6.75). Of course, there are spaghetti and meatballs ($6.50), pizza ($5.95 to $11.95), and meatball sandwiches ($5.25).

IMAGE CHANGE. Florenz full-service Italian restaurants receive high marks for food quality and as special-occasion destinations. But a stuffy atmosphere discourages casual usage and repeat patronage. That is the report from focus groups and consultants that the Lexington, KY-based chain commissioned to evaluate its concept.

Now making a different statement with its decor, Florenz hopes to get back on track as a growth vehicle for Jerrico Inc., parent of Long John Silver's Seafood Shoppes.

The six-unit chain has replaced its original subdued, upscale look with a more festive casual feel in new units in Charlotte, NC, and suburban Atlanta. Florenz has added jolts of color with red and white striped awnings and umbrellas that will also reduce the "dining hall look" of its original 10,000-sq.-ft. buildings. Other touches include plants, candles on tables, and dark oak furniture instead of white wood. New, more casual employee uniforms sport open collars and red, white, and green suspenders. In the future, Florenz will seek downsized buildings of about 8,000 sq. ft. Thus far, it has converted rather than built units.

But it's clear that Jerrico's priority is Long John Silver's. "I'll be pleased if we open three to six new Florenz in the coming fiscal year," says vice president Samuel Nelson. A suburban Chicago unit was slated to open this year.

Food quality has always been Florenz's strong suit, says Nelson. It menus the Italian standbys, but also shows some flair with dishes such as flounder *imperiale* broiled with a splash of anise-flavored liqueur ($7.95), chicken *capperi* in a white wine and caper sauce ($6.95), and *osso buco*, or braised veal shank, with green peppercorns ($9.50).

The good times are rolling for Garland, TX-based Spaghetti Warehouse. It notched an increase in total sales of nearly 20% and in total traffic of nearly 15%, halfway through fiscal 1989. Same-store sales and same-store traffic counts rose 6% and almost 3%, respectively. The 12-unit chain features full-service dining rooms chock full of antiques and curios, and a menu of scratch-made Italian favorites. The check average is $7.89 at dinner, $5.44 at lunch.

Last year saw the chain expand into suburban Atlanta and Buffalo, NY, with successful units. Next on the agenda is unit number 13, a 14,000-sq.-ft., 350-seat restaurant in Pittsburgh slated to open early this year. Spaghetti Warehouse is confident that it will meet with the same high customer acceptance it has in Buffalo, despite the competition of strong local independent operators.

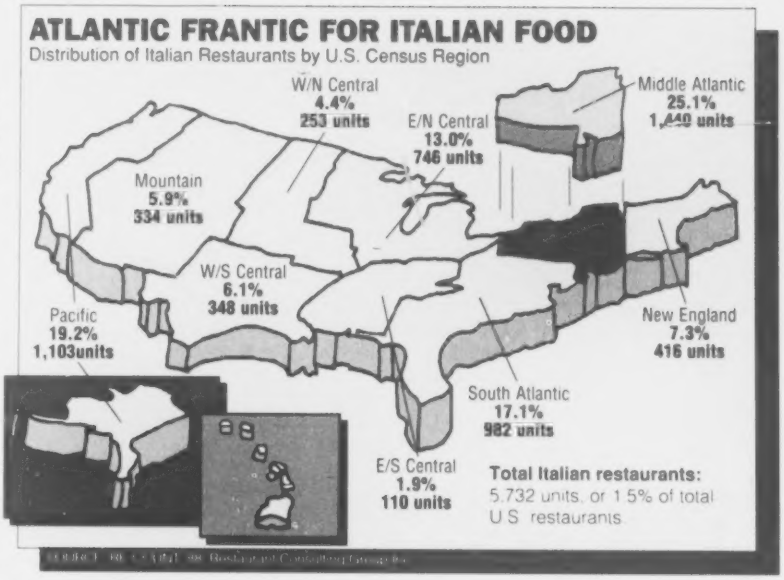
"We are going to be very competitive in Pittsburgh," says vice president of marketing and advertising Robert L. Gilka. "There's nothing there like us. Our portions and prices will be very well received."

One of last year's marketing bright spots was the Octoberfeast promotion, during which the company sold 35% more Italian Feast combination platters than it had the previous month.

Standing between Spaghetti Warehouse and a successful fiscal year is last year's nemesis—wintertime sales falloffs. To avoid the doldrums this year, the chain is gearing up its promotions. It rang in the New Year with an $18.95 Champagne Dinner For Two deal on New Year's weekend, which featured a choice of either The Incredible 15-Layer Baked Lasagne or chicken parmigiana, along with a glass of bubbly. In March, it will promote its

continued on page 167

For more information on Wisconsin Milk circle number 266 ➞



lunchtime sandwiches and salads.

The 23-unit Portland, OR-based Old Spaghetti Factory (OSF) chain will celebrate its 20th anniversary this year with a projected record sales figure of more than $40 million. The high-volume, moderately priced chain reports comparable store sales running about 5% to 6% ahead of last year.

The additional volume will come in handy to help offset the additional costs of governmental intervention—the minimum wage increase in California and the continuing negative effect of the FICA tax on tips—reports founder and president Gus Dussin.

Dussin considers OSF's niche extremely marketable. The units feature good food, a fun atmosphere, and affordable prices. Pasta with meat sauce is priced at $4.45 and includes salad, bread, and spumoni ice cream (the only dessert sold). Other leading entrees are lasagne, fettuccine Alfredo, and spinach tortellini.

"When you get through paying for the appetizer and dessert at a place like the Olive Garden, Florenz, or Grisanti's, you have a $12 to $14 check," notes Dussin. "But at the Old Spaghetti Factory, the check is about $5, and we're just as upscale-looking and our food quality is as good or better."

Buoyed by the success of its two Santini's Italian Cafe units, Indianapolis-based Consolidated Specialty Restaurants (CSR) is seeking expansion sites in Indiana and Illinois.

CSR is the operator of a diverse group of 15 full-service theme restaurants in Indiana and Illinois, and a subsidiary of Consolidated Products Inc., parent of the 108-unit Steak 'n Shake regional burger chain in the Midwest and Southeast.

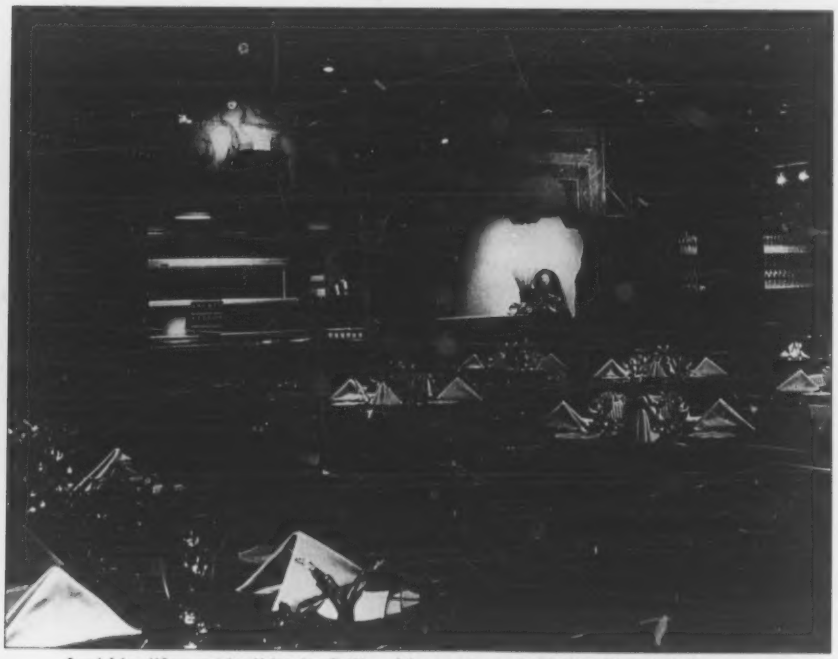
Two years ago, CSR opened its first Santini's unit in south suburban Chicago. Last December, it opened a second unit in Decatur, IL, converting one of its Snaks Park Avenue restaurants into an expanded 200-seat Santini's.

Santini's leading items are lasagne, fettuccine Alfredo, spaghetti, and chicken, veal, and seafood entrees. They are served in a bright, airy atmosphere reminiscent of a sidewalk cafe, complete with umbrella-shaded tables, plants, and Italian posters. Signatures are hot, soft breadsticks and hearty minestrone soup. Stores include a retail center that holds demonstrations of pasta preparation and sells take-out pasta, sauces, and breadsticks.

Revenues and sales have trended positively for Edina, MN-based Ciatti's Inc., a regional five-unit chain of Italian restaurants. It operates three units in the Twin Cities and one each in Milwaukee and Madison, WI.

CONTROLLED GROWTH. Ciatti's favors a "very controlled growth," according to vice president of administration Barney Uhlig. It anticipates its

continued on page 168



Amid its "faux ruins" look, Crillon Management's Dallas Sfuzzi dishes up specialties such as fresh Dallas mozzarella with tomatoes and pesto.

sixth unit early in 1989 in Eden Prairie, MN, and projects its seventh by mid-year in Burnsville, MN.

In menu philosophy, Uhlig says he does not strive to be an "authenticity hound." He calls the menu "a good compromise" between authentic Italian cooking and Americanized Italian fare. It includes deep-fried calamari ($4.95); cream of broccoli soup ($1.85); spaghetti with meat sauce ($6.25); and tortellini "straw and hay," spinach and egg pastas sautéed with mushrooms, ham, peas, and parmesan cream sauce ($8.95).

The seed of a national full-service Italian chain may be under cultivation in a renovated dance hall in Leon Springs, TX. A unique concept called Romano's Macaroni Grill has opened there to good patronage. It is the brainchild of restaurant entrepreneur Phillip Romano, creator of more than a dozen concepts, most notably Fuddruckers, the gourmet hamburger restaurant.

The restaurant conceptualizes Romano's reminiscence of Italian-American home eating. "We always ate in the kitchen at home," Romano recalls. "Grandfather would spread out a white tablecloth and put a gallon jug of homemade wine on the table, and you helped yourself. There was always lots of family around."

Indeed, the kitchen is the restaurant. Customers walk past white-toqued cooks at work and open cases of wine and vegetables on display as they enter the 170-seat restaurant. "They see the activity, hear the noise, smell the food," says Romano. And each table is set with a white tablecloth, a gallon jug of wine, and a set of tumblers. Customers pour their own wine and pay $2 a glass on the honor system.

Romano is serious about introducing Texans to new tastes. For example, there are dishes such as *zuppa di cozze al zafferano*, steamed mussels with saffron ($4.95), and thin-crust single-serving pizzas ($6 to $6.95), with such toppings as smoked mozzarella, sun-dried tomatoes, barbecue chicken, and pesto. Pastas include angel hair with pink peppercorn sauce and oysters ($8.50) and ziti with gorgonzola cheese ($7.50), plus ravioli, manicotti, and pastas with meat sauce. The average tab is about $15, including wine.

True to his entrepreneurial nature, Romano says he has no interest in developing an organization to grow the concept. "But if the right people came along, with the right capabilities, I would talk," he says.

EARLY PIONEER. Today's new and trendy Italian restaurants owe much to the early pioneers that helped set the trend in motion a few years ago.

One example is the Levy Restaurants' Spiaggia, which debuted in Chicago five years ago. The upscale fine-dining restaurant has a check average of $45 at dinner, $20 at lunch.

Over the years, Spiaggia's customers have become more knowledgeable and willing to pay top dollar for the very best, says executive chef Anthony Mantuano.

For instance, people today increasingly eat the Italian way—beginning with antipasti, moving to a first course of pasta or risotto, then ordering a meat or fish second course. Risotto enjoys wider popularity than it did five years ago—meals do not inevitably include pasta anymore. In addition, customers don't even blink at a $38 price tag for pasta with imported white truffles, Mantuano reports.

Italian cooking today makes better use of seasonal ingredients such as white truffles and pumpkin for ravioli filling in the fall, tomatoes and eggplant from small Illinois farms in summer, Mantuano says.

Like many high-ticket restaurants, Spiaggia several years ago opened an informal, downscaled dining room to target a wider and higher-frequency customer base. Cafe Spiaggia features antipasti, pastas, pizza from the wood-burning oven, and light meat and seafood entrees, with a $15 average tab.

But there is more than price/value behind the downscaling trend, in Mantuano's opinion. "It's hard to do up-

continued on page 170

Pictured is a sausage roll served by Sbarro Inc. This quick-service concept is the only national chain of Italian restaurants.

Olive Garden and Sbarro are the most successful segment chains.

Old Spaghetti Factory projects record sales of over $40 million.

Old Spaghetti Factory's 23 units are typically large spaces with a fun atmosphere, and feature good food at affordable prices.

scale Italian restaurants in the U.S.," he says. "Critics think that if a food is expensive, it should be 'Frenchified' in presentation or recipe. Otherwise, they have a hard time justifying high prices." He points out that Italian presentations and cooking methods are generally simple, but the ingredients are expensive. For instance, the West Coast spiny lobsters used at Spiaggia cost $9 each wholesale.

Frequent dining trips to Italy allow Mantuano to update his menus with new ingredients and recipes. Cafe Spiaggia's latest menu includes new dishes such as *arista*, a Tuscan pork roast flavored with sage and rosemary ($10.95), and *tacconi alla luchese*, pasta sheets with tomato, basil, garlic, and olive oil ($8.95). New pizzas from the wood-burning oven include *mezzaluna*, a half-moon-shaped pizza with mozzarella, oregano, garlic, and prosciutto, and a spicy calamari pizza (each $8.95).

CUSTOMER SOPHISTICATION. Dee DeCarlo and David Houle, former Chicago ad people turned Italian restaurant operators, are two others who can vouch for significant strides in customer sophistication over the decade. They view the trends from both quick-service and full-service vantage points.

In 1981, they opened the first of three Mama Mia Pasta restaurants in downtown Chicago, featuring home-style Italian dishes, quick service, and decor scaled above typical fast food. The average check today is about $7 for dinner, $5.50 for lunch.

Mama Mia's signature is fresh semolina pasta in regular, spinach, tomato-basil, and whole wheat flavors and a variety of shapes: rigatoni, fettuccine, rotini, shells, linguini, and more. Customers have a choice of five sauces—marinara, meat, zucchini-tomato, white clam, and Alfredo.

"In 1981, customers wanted to know what all the shapes and colors of pasta were," recalls DeCarlo. "The only soup that they would buy was minestrone. The overwhelming majority of our orders were for regular pasta with meat sauce. Pesto, clam sauce, Alfredo sauce—these all blew people's minds.

"Today, customers know all the buzzwords, and they're a lot more adventurous," DeCarlo says. Projected sales for the three-unit group exceed $2.5 million.

Betting on the continuing popularity of Italian cuisine, DeCarlo and Houle opened Bella Luna last fall in Chicago, a 175-seat upscale trattoria with an average check of about $15 at dinner, $6 at lunch.

Bella Luna's leading dishes include seven-inch thin-crust pizzas ($6.75 to $11.95), pumpkin risotto ($8.95), prosciutto with four-melon salad and chive-mascarpone dressing ($4.25), polenta with sun-dried tomatoes and caciocavallo cheese ($4.50), and ziti with four cheeses ($6.95). A signature item is the daily Bella Luna Pasta Bowl For Two. At lunch, there are sandwiches such as the Bella Burger ($5.95), which sports red-wine-sautéed onions and mushrooms, and the Italian BLT ($4.95), which features pancetta, radicchio leaves, and pesto mayonnaise.

STYLISH. Don't look for spaghetti and meatballs at the upscale Italian restaurants of San Francisco-based Spectrum Foods, located in San Francisco, Los Angeles, and Orange County, CA. Its key Italian concepts include Prego, Tutto Bene, and Harry's Bar and American Grill.

In these restaurants, a stylish crowd feasts on authentic and innovative dishes such as mozzarella *alla caprese*, buffalo mozzarella served with tomato, herbs, and extra virgin olive oil ($6.95); pizza *puttanesca*, a single-serving pie topped with black olives, capers, mozzarella, artichokes, and tomato sauce ($8.50); and *agnolotti d'aragosta*, half-moon pasta with lobster filling ($11.25). A complete dinner for

continued on page 172

two averages a little less than $50.

The independently managed division of Anwar Soliman's American Restaurant Group is hardly a cookie-cutter chain. In its portfolio it includes 10 Italian concepts, all with unique facets of food and design.

For example, the three Prego restaurants share only about 70% of the menu items, says president Charles A. Frank. Company-wide signatures are *carpaccio*, or thinly sliced raw beef with olive oil and garnishes; fettuccine "200 ways," and *tiramisu*, an extravagant dessert of ladyfingers steeped in espresso and marsala, topped with cocoa and mascarpone cheese. But Spectrum's chefs, many of them Italian-born, have the discretion to plan their own menus and use their own recipes.

Dallas-based Crillon Management, another purveyor of bright and innovative Italian restaurants, is expanding its popular Sfuzzi concept to Washington, DC, and Atlanta this year. Its three existing Sfuzzis in Dallas, Houston, and New York City (opened summer 1988) are ranging in volume from $2.5 million to $4 million and have average checks of $20.

Amid its "faux ruins" look—purposely distressed plaster and crumbling Roman columns—the Dallas Sfuzzi dishes up specialties such as fresh Dallas mozzarella with tomatoes and pesto ($5.25), linguine with grilled duck and mushroom ragout ($9), and grilled beef tenderloin with Chianti-black pepper sauce ($16.25).

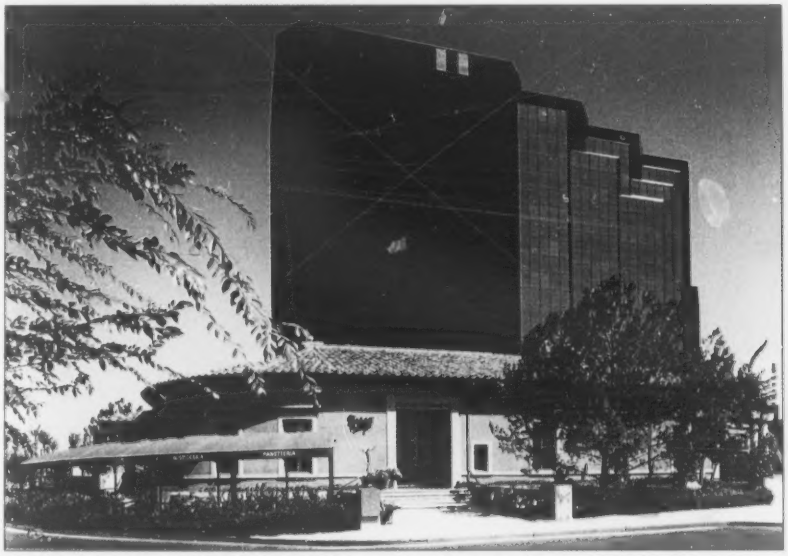
Last fall, Chicago restaurant mogul Richard Melman opened Tucci Bennuch in the glitzy 900 North Michigan Avenue shopping complex. It is his third Italian effort, adding to Lettuce Entertain You Enterprises's (LEYE's) popular "Italian Renaissance trattoria" Scoozi and the white-tablecloth destination restaurant Avanzare.

Tucci Bennuch is cast as a comfortable, informal Italian house, a shopper's oasis in the bustling 80-store complex. The 150-seat restaurant is divided into separate dining areas representing the rooms of a dwelling. There is a parlor, bedroom, umbrella-shaded patio, and even a gardener's "mud room." A clothesline of wash and family photographs add to the lived-in look. There is seating for two dozen inside the working kitchen, which mimics the typical Italian home kitchen decor.

Tucci Bennuch's compact 30-item menu concentrates on light pizzas and pastas, plus a few roasted meat and seafood items. Nothing is priced at more than $9.95.

PLAYFUL. In LEYE's typical fun-loving fashion, the menu sports a surprise—*penne con salsiccia e polpettini*—a retro-chic dish of macaroni, sausage, and meatballs ($6.95). Melman has been contrary before—he suspended a giant red plastic tomato above Scoozi's door at the height of Northern Italian chic a few years ago, when food snobs were dismissing the tomato sign as an anachronism of mom-and-pop "red sauce houses."

Segment growth is fueled by pasta's growing popularity.



San Francisco-based Spectrum Foods considers Prego to be one of its key concepts. This new unit is located in Irvine, CA.

Restaurant entrepreneur Paul Stonich is best known for his successful Annabelle's Fish Market restaurants in downtown Chicago and suburban Arlington Heights. But last year, he jumped into the Italian fray by opening Ristorante Fortunato next door to the suburban Annabelle's.

Why would a seafood operator plunge into Italian? "Mainly to diversify," says Stonich. "Seafood is very competitive and prices are constantly rising. Italian has relatively low food cost and broad appeal. It's relatively easy to prepare, and I like it."

The 150-seat restaurant offers antipasti such as *bruschetta pasquale*, grilled Italian bread topped with garlic, tomatoes, basil, and olive oil ($2.25); *ribollita toscana*, a Tuscan minestrone soup with croutons and parmesan cheese ($2.25); and *spaghettini Genovese*, thin spaghetti with basil leaves, garlic, olive oil, romano cheese, and pine nuts ($3.50). Foot-long breadsticks are a signature item. The average check is $20.

The Italian trend has peaked in Chi-

continued on page 174

cago, although it is not over. That's the opinion of Dennis Terczak, veteran Italian restaurant chef and co-owner of Sole Mio, which continues as one of Chicago's hottest Italian concepts.

He and chef-partner Jennifer Newbury considered opening a second Italian concept last fall, but opted instead for a stylish French bistro, Chez Jenny.

"My gut feeling was to do a more upscale Italian restaurant, until I looked at the market," says Terczak. "But there's lots of Italian places on the street today." Also influencing the decision to do a bistro was a trip to Paris, during which he noticed that two- and three-star restaurants were opening bistros to attract a wider public.

Literally since opening last spring, the 92-seat restaurant has had nightly lines of up to 90 minutes for tables. Terczak considers the $25 average check an attractive price point for city dwellers. "The whole world eats out seven nights a week," he says. "We serve people who probably budget $1,000 a month on dining out."

General Mills' Olive Garden is a midscale, full-service concept. The chain boasts 120 dinner houses and is adding 50 new units per year.

Menu changes occur slowly; traditional dishes are still favorites.

Sole Mio is a dinner-only restaurant. Serving lunch would interfere with dinner prep, says Terczak. He takes pride in a menu that is virtually all scratch-made. The restaurant ripens fresh tomatoes by the case for sauces. It also makes fresh pasta, mozzarella, and desserts such as gelato, granité, cookies, and tiramisu.

Italian food is going strong in central Pennsylvania, too. Camp Hill, PA-based Rillo's Restaurants is a family-owned independent restaurant company that operates two successful white-tablecloth restaurants, Casa Rillo in Camp Hill and Rillo's in Carlisle. Both are popular with state government officials from nearby Harrisburg and with area residents.

"Italian food lends itself to great variety," says co-owner Nick Rillo. "It has lots of flavor, yet it can be delicate too." He considers it a medium for the independent operator's natural freedom and flexibility in menu making.

Rillo's six to 10 daily specials have included occasional Italian-Oriental sautés flavored with a touch of ginger, inspired by an Asian cook on staff. Seafood Mediterranean-style with ingredients such as olive oil and feta cheese is a continual favorite. Meat items such as veal chops, loin of lamb, and buffalo enjoy high popularity as well.

FAMILY-ORIENTED. Last year was the silver anniversary in business for Italian-born Michael and Ernestine Del Monaco, operators of San Jose, CA-based Florentine Restaurants and Pasta Markets. The eight-unit chain of family-oriented Italian restaurants and retail outlets is known in the Bay Area and Sacramento for fresh pasta and a diverse, moderately priced Italian menu.

Florentine offers a mix of familiar items and dishes that seem over the head of a family-oriented eatery with a $12 average check. As Michael Del Monaco explains, "I try to give people foods that they ordinarily would have to go to an expensive restaurant for, such as carpaccio, tiramisu with imported mascarpone cheese, and roasted peppers with goat cheese."

Mainstream items include pepperoni pizza ($13.50), veal parmigiana ($10.95), manicotti ($7.25), meatballs ($4.50), and garlic bread ($1.50).

Florentine's signature item is a basket of pan-baked breadsticks with cheese spread ($1.75). Michael Del Monaco has high hopes that his new menu rollout—gourmet ravioli—will achieve similar status. The secret is a thinner, more delicate dough, which is made in Florentine's new commissary with specially designed Italian equipment. The fillings include ground veal and spinach, cheese and garlic, assorted seafood, and even a spicy Cajun mixture. "They will change the way people think about ravioli forever," he says.

Its dynamic expansion and menu sophistication notwithstanding, the segment still has far to go to reach its full potential. The next few years promise even more excitement as it continues on its long winning roll.